

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Worcester Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2016
DATE: December 1, 2014

Required Fiscal Year 2016 Appropriation: **\$42,703,837**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2016 which commences July 1, 2015.

The allocation for governmental unit is as follows:

City of Worcester	\$39,316,043	
Housing Authority	3,387,794	(\$3,516,622 if paid monthly)

Attached please find summary information based on the present funding schedule for your system. The governmental unit allocation was determined based on Chapter 191 of the Acts of 1998 (An Act Authorizing the City of Worcester to Issue Pension Obligation Bonds). In accordance with Section 4 of the act, PERAC “shall increase the annual amount to be certified under Section 22 of Chapter 32 of the General Laws as the amount necessary to be paid by each governmental unit in said retirement system other than said city by each governmental unit’s proportionate share of the annual debt service expense as determined herein and shall decrease the amount to be paid by said city by an equal amount”. Our figures reflect the adjustment for the debt service (assuming July 1 and January 1 payments).

If you have any questions, please contact PERAC’s Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: City Council
c/o City Clerk
Office of the City Manager



Worcester Retirement Board

Projected Appropriations

Fiscal Year 2016 - July 1, 2015 to June 30, 2016

Aggregate amount of appropriation: **\$42,703,837**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2016	\$63,169,009	\$40,612,544	\$2,091,293	\$42,703,837	\$42,703,837	\$0	\$20,465,172
FY 2017	\$64,717,425	\$42,330,251	\$2,091,293	\$44,421,544	\$44,421,544	\$0	\$20,295,881
FY 2018	\$66,304,731	\$44,066,155	\$2,091,293	\$46,157,448	\$46,157,448	\$0	\$20,147,283
FY 2019	\$67,931,905	\$45,873,269	\$551,719	\$46,424,988	\$46,424,988	\$0	\$21,506,917
FY 2020	\$69,599,949	\$47,754,515	\$551,719	\$48,306,234	\$48,306,234	\$0	\$21,293,715

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.